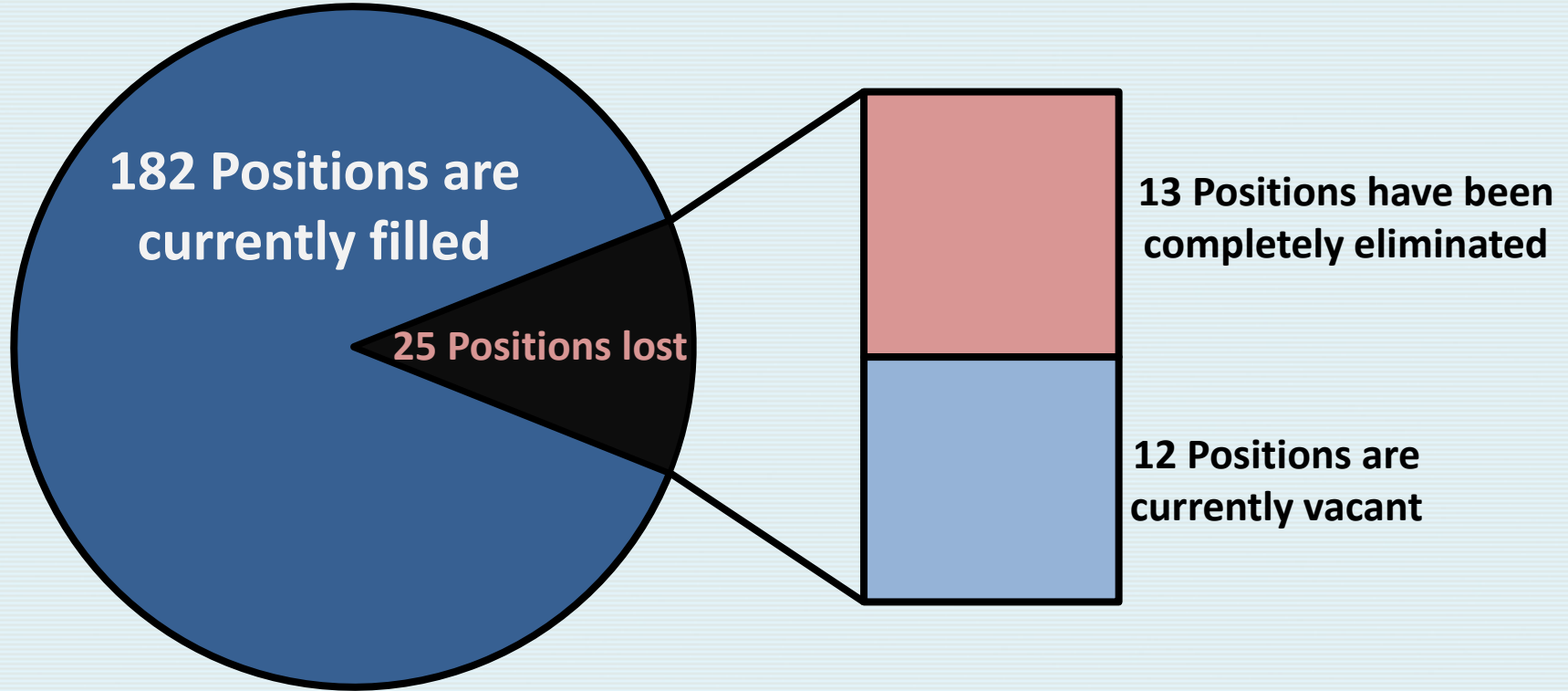


Office of Attorney General Lawrence G. Wasden

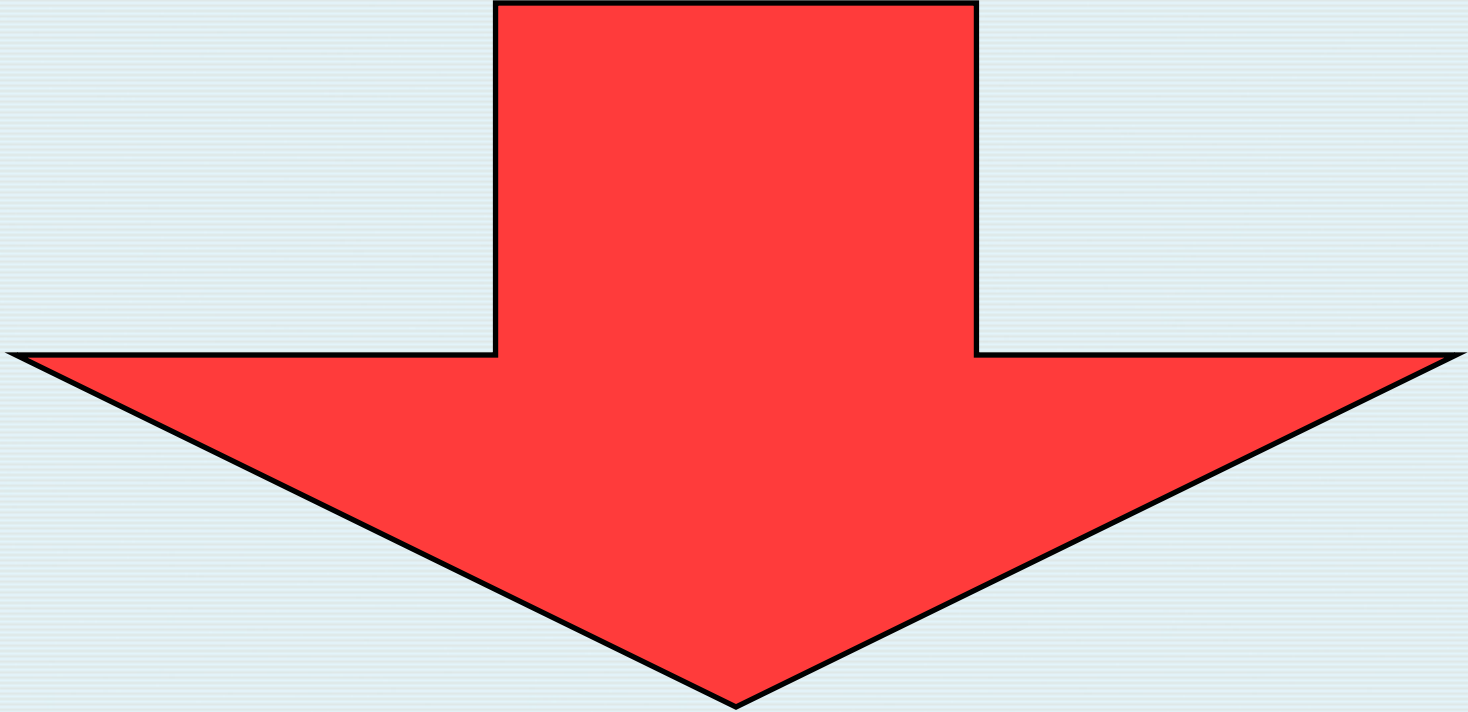
FY2013 Budget Request
February 14, 2012



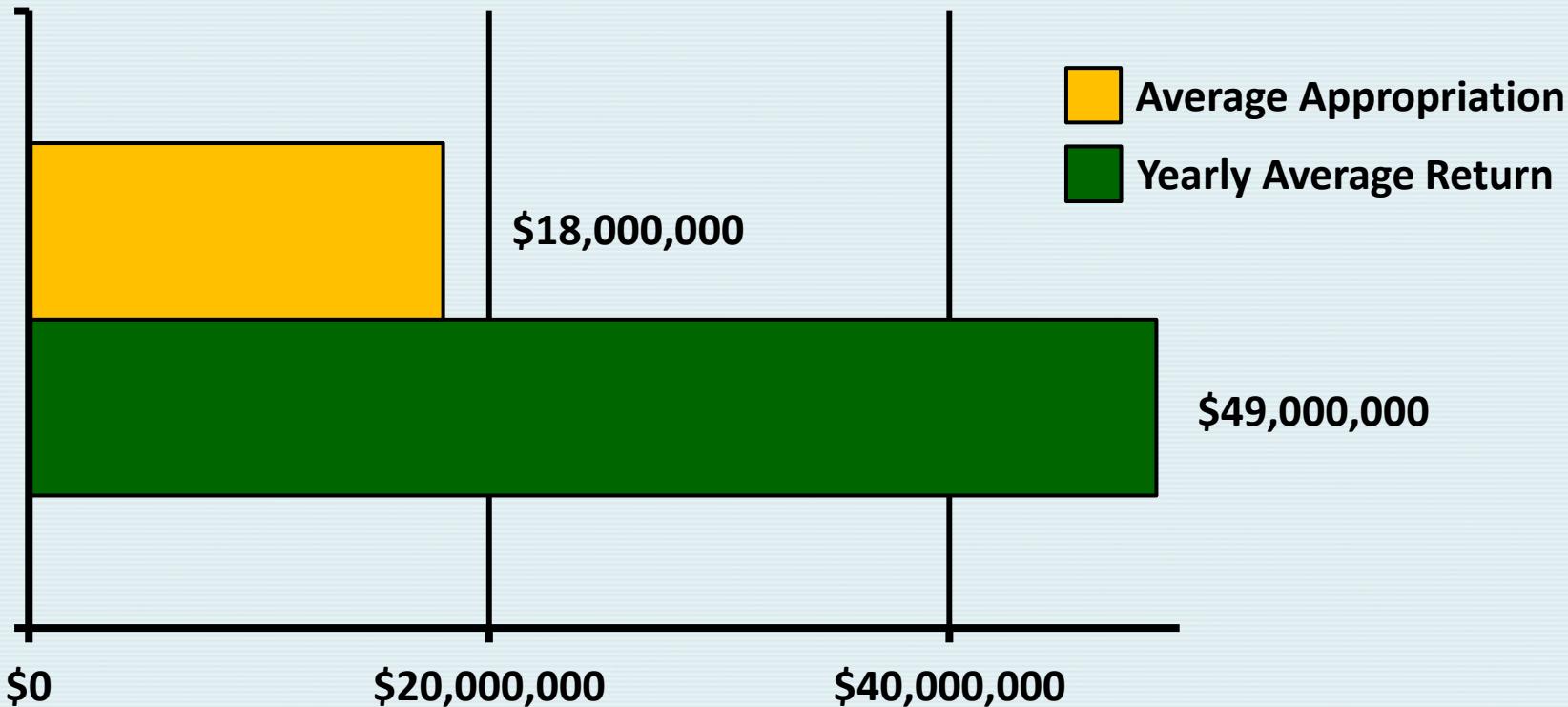
Office of the Attorney General



**\$2,384,900 Reduction in Budget
since FY2009**



Appropriation vs. Dollars Returned



Medicaid Fraud Unit

- FY 2011 Recoveries
 - \$3,097,637



Idaho Estate Recovery Program

- FY2011 Recoveries
– \$5,560,494



Consumer Protection Division

- FY2011 Recoveries
 - \$7,563,698 includes:
 - Restitution \$5,365,079
 - Fees, penalties and expenses \$2,198,619
 - Recoveries transferred to General Fund \$1,568,900



Consumer Protection Division

- FY2012 Year to Date Recoveries
 - \$6,475,535
 - \$13,932,238 mortgage foreclosure settlement on February 9, 2012
- **Fiscal Year to Date Total**
\$20,407,773



Tobacco Master Settlement Agreement

- FY2011
 - Received more than \$25 million
- FY2012
 - Idaho expects to receive similar amount



Tobacco Master Settlement Agreement

- Tobacco recoveries in jeopardy
 - Tobacco companies withholding millions of dollars in payments
 - Companies are seeking to wipe out tens of millions of dollars in future payments



Tobacco Master Settlement Agreement

- National Arbitration
 - Tobacco companies
 - Over 90 attorneys assigned
 - 5 Large law firms to this case
 - Idaho Attorney General's Office
 - 2 attorneys assigned



Tobacco Master Settlement Agreement

- Idaho must continue to defend our share of these payments



Healthcare Reform Litigation

- Briefing almost complete
- Oral argument
 - March 26 through 28, 2012
- Decision anticipated June 2012



Snake River Basin Adjudication

- The end is near
 - More than 150,000 water rights adjudicated
 - Less than 1,000 cases remain
- Surface/groundwater conflict almost complete





Idaho Faces Legal Jeopardy

- Cannot retain attorneys
- Unable to reward loyalty and good work



Office of the Attorney General Staffing

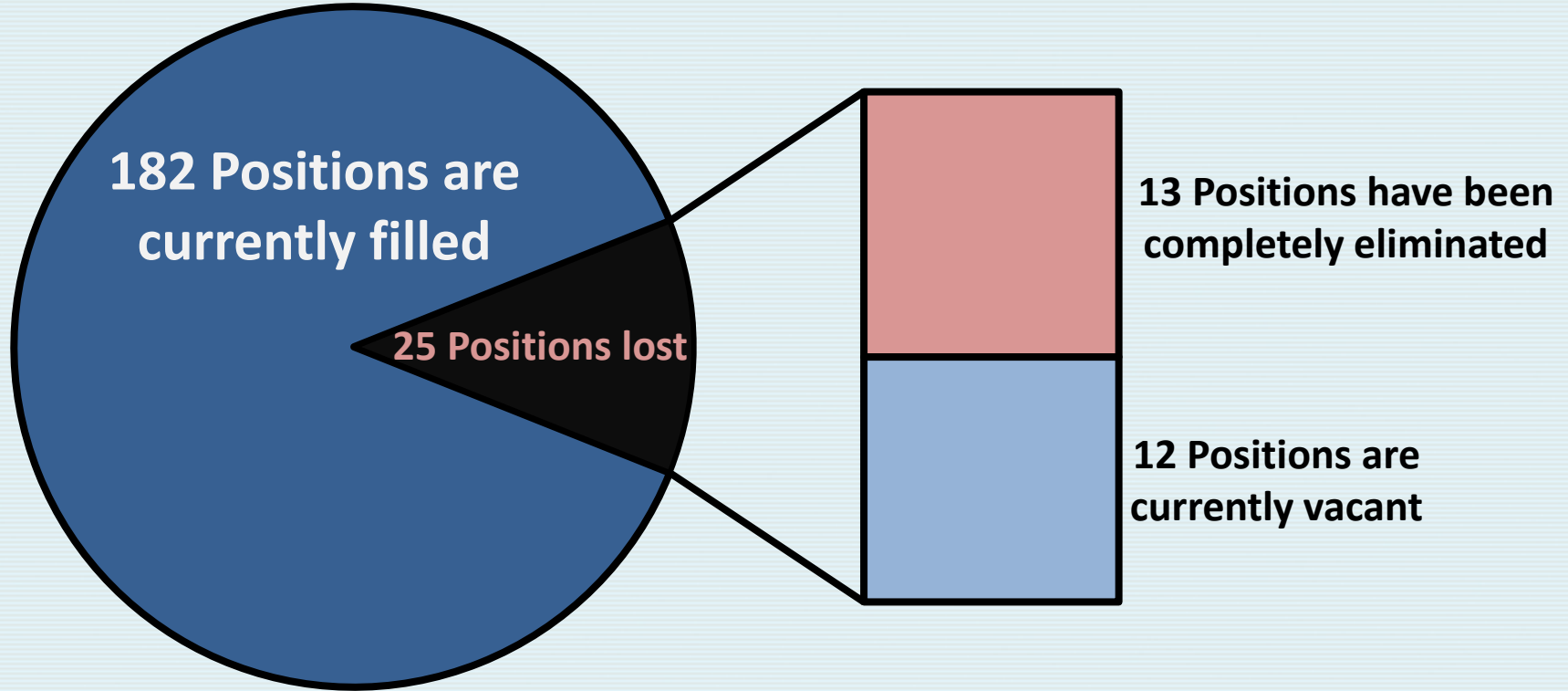
- Attorneys leaving to take positions at other state agencies
 - Competing with salaries we cannot match
- Attorneys leaving for the private sector are doubling their salaries

Office of the Attorney General Staffing

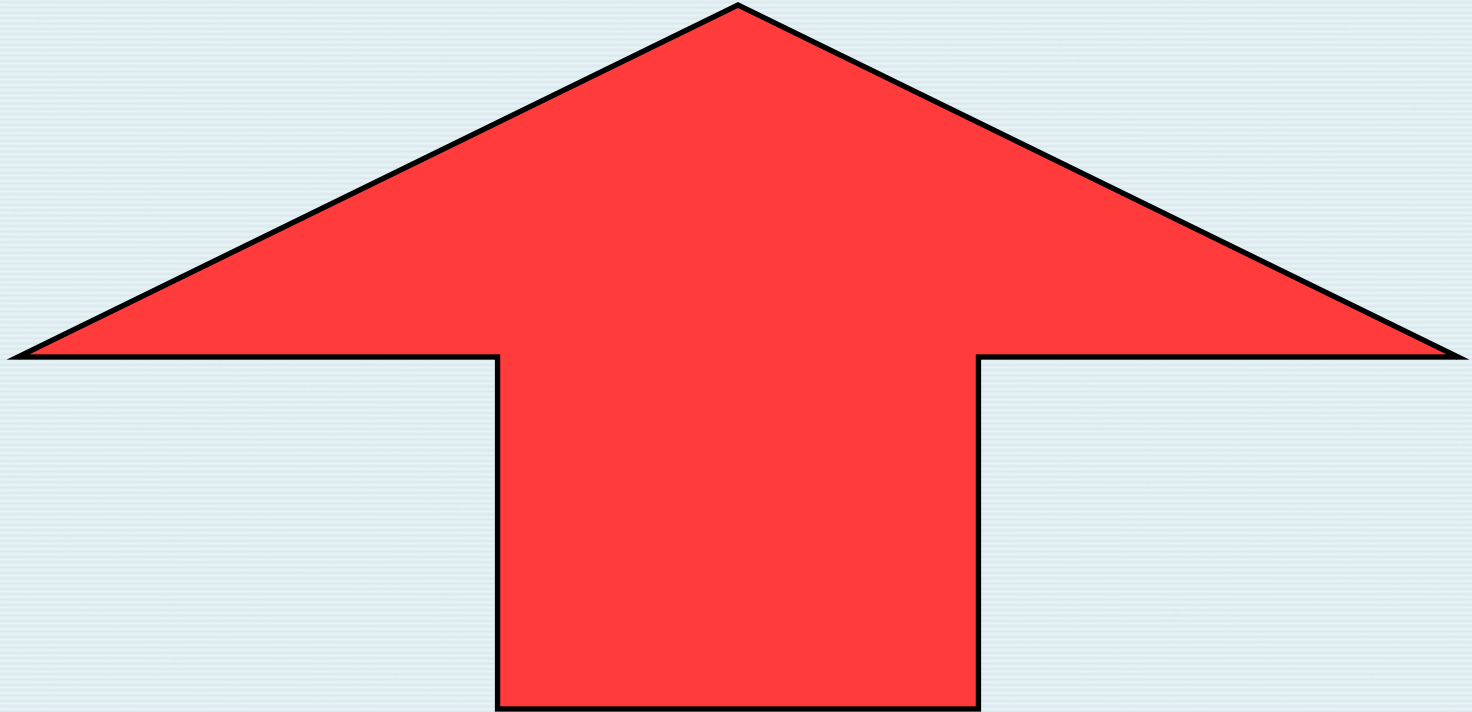
- Struggling to fill vacant positions
 - DHR reports state employee salaries average 18.6% below market
 - Qualified candidates are not willing to accept available salaries



Office of the Attorney General



**Dramatic increase of legal work since
economic downturn**



Staff reductions




Long hours to handle caseloads

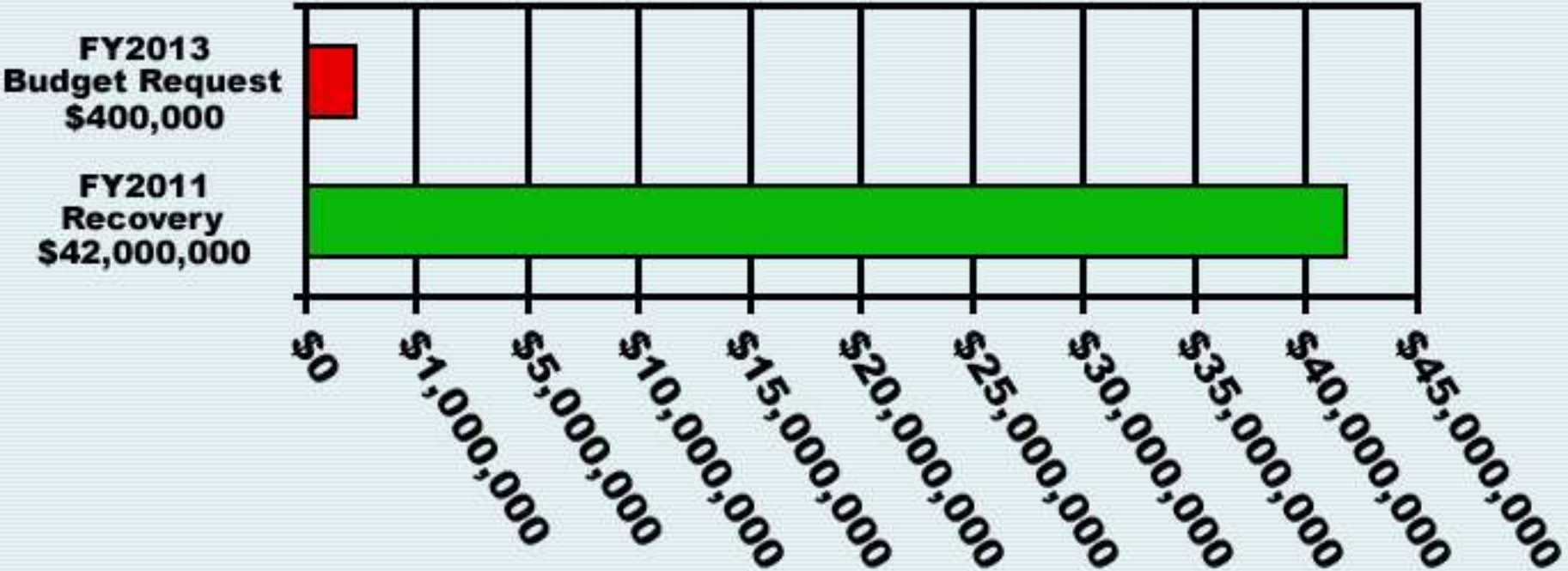


Inadequate compensation

Three Simple Measures

- Fully fund \$400,000 FY2013 budget request
 - Continue lump sum authority
 - Continue and extend interagency billing authority
- 
- A faint, stylized background image of a person holding a scale of justice, symbolizing law or equity. The image is positioned in the lower-left corner of the slide.

Appropriation Less Than 1%





CLYDE W. COTTON - Governor
 RICHARD M. ARMSTRONG - Director

IDAHO DEPARTMENT OF HEALTH & WELFARE

LESLIE M. CLEMENT - Deputy Director
 400 W. State Street, 10th Floor
 P.O. Box 83720
 Boise, ID 83720-0010
 PHONE 208-334-6000
 FAX 208-334-6008

February 6, 2012

Lawrence G. Wasden
 Attorney General
 State of Idaho
 PO Box 83720
 Boise, ID 83720-0010

Dear Attorney General Wasden:

I'm writing to give you an update on the overwhelming success of the interagency billing process that your office and the Department of Health and Welfare, Division of Medicaid engaged in over the last year. It is our hope that the Joint Finance-Appropriations Committee will again approve fund transfers from this agency to you for this purpose.

Prior to the interagency billing process, part of the Attorney General's estate recovery support staff were Department of Health and Welfare employees, while others were employees of the Attorney General's office. This meant that staff who worked side by side were treated differently for purposes of salaries, bonuses, performance evaluations and furlough days. It meant that some fell under the state's classified employee system, with its various rights and privileges, while a fellow employee did not. It meant that some employees had a different chain of command than others doing the same work.

Understandably, this resulted in confusion among the staff about both their expectations and who they were obliged to report to, which created real friction, and in some instances unavoidable reductions in productivity and increased turnover. The Department struggled to supervise and evaluate employees who took orders entirely from non Health and Welfare managers. Since the new process was put in place, these problems have been eliminated, and the result has been both a more efficient and streamlined operation for the Deputy Attorneys General who represent us, as well as ending the impossible supervisory task the Department had before. It has been a resounding success and we would like to continue with this arrangement for State Fiscal Year 2013.

If you or members of JEAC have any questions about the success of this arrangement, please don't hesitate to contact me.

Sincerely,


 Leslie M. Clement
 Deputy Director
 Idaho Department of Health and Welfare



IDAHO TRANSPORTATION DEPARTMENT
 P.O. Box 7129
 Boise ID 83707-1129

(208) 334-8000
 idt.idaho.gov

February 2, 2012

Honorable Lawrence G. Wasden
 Attorney General
 State of Idaho
 Office of Attorney General
 P.O. Box 83720
 Boise, ID 83720-0010

RE: Inter-Agency Billing for Deputy Attorneys General

Dear Attorney General Wasden:


Last year the Idaho Department of Transportation agreed to use an inter-agency billing method for hiring two additional Deputy Attorneys General who would be dedicated to addressing Department matters. I write to tell you how pleased the Department is with the two additional attorneys this type of financing has made possible.

Having two additional Deputy Attorneys General at the Department has been advantageous for two reasons. This arrangement saved the Department money. As stated last year when we discussed this issue, the Department often is required to hire outside counsel to cover all of its legal needs. Through your office, the Department retained two additional attorneys for a total cost of approximately \$225,000. The Department estimates that had it hired outside counsel to perform the same work conducted by those two attorneys, it would have cost the Department \$550,000 to \$600,000.

The two new positions also increased efficiency and in-house expertise at the Department. The Office of the Attorney General was strategic in its hiring choices. One of the attorneys hired brings veteran experience in real estate, condemnations, and contracts. The other attorney hired by your office has construction and employment law experience. In the past, the Department had to seek outside counsel in these primary areas of business. Now we have readily accessible and available in-house counsel to address issues in these areas as they arise.

Based on the experience of this past year, the Department is willing to continue the inter-agency billing practice and avail itself of the services provided by the additional Deputy Attorneys General. This arrangement is contingent upon our Department retaining the services of the current Deputy Attorneys General, Gary Luke and Jerry Reynolds.

Sincerely,


 Brian W. Ness
 Director

Cc: L. Allen - DAG

Fiscal Year 2013 Request

Description	Total
State Legal Services	\$18,662,200
Special Litigation	\$669,400
Total Request	\$19,331,600

Office of Attorney General Lawrence G. Wasden

